

PCA – Process Community Mental Health Clinic (CMHC) Cost Report and Perform Cost Settlement

Purpose: Review the cost report using desk review procedures to determine if reported costs are allowable and reasonable and calculate amount final settlement for Community Mental Health Clinic (CMHC) cost report form 470-4419 are due 90 days after the provider's fiscal year end.

Identification of Roles:

1. Accounting Assistant – reviews the cost report to determine if all the necessary information was completed and received. Imports/data enters cost report. Also reviews the reported items to make sure it foots and ties out to supporting documentation.
2. Staff Accountant – performs desk review procedures to determine reasonable and allowable costs and calculates tentative and final settlement.
3. Senior Accountant – may perform desk review procedures and perform reviews.
4. Supervisor – perform review.
5. Manager – may perform review.

Performance Standards:

Settle cost reports for remedial service providers, habilitation waiver service providers, and community mental health centers within six months after receipt of the submitted Medicaid cost report.

Path of Business Procedure:

- Step 1: Mail cost report due letter to provider. Letter is located on the Provider Cost Audit share drive.
- Step 2: Cost reports are submitted by Community Mental Health Centers (CMHC) providers. Mailroom receives Cost Report and scans into On-Base or e-mail with electronic attachment is received directly by Provider Cost Audit. If electronic version, then disk is sent to Provider Cost Audit.
- Step 3: Postmark date of Cost Report is scanned into On-Base.
- Step 4: Receive notification from On-Base that cost report is ready for processing.
- Step 5: Receive hard copy or electronic version of Cost Report from mailroom.
- Step 6: Perform preliminary review.
- Step 7: Log receipt of Cost Report in status log in Access.

- Step 8: Send "Cost Report Acknowledgment" letter to agency. Letter is located on the Provider Cost Audit share drive.
- Step 9: Cost Report information is entered in the CMHC workpapers Excel template. Template is located on the Provider Cost Audit share drive.
- Step 10: Review Cost Report for mathematical accuracy and completeness and note exceptions.
- Step 11: Log support staff review complete date in status log in Access.
- Step 12: Request and receive, via electronic mail, Medicaid claims paid data from data warehouse and managed care claims paid from Medicaid Managed Care contractor.
- Step 13: Perform desk review and cost settlement.
- Step 14: Calculate settlement and interim rate adjustment.
- Step 15: Log accountant review complete date in status log in Access.
- Step 16: Perform final review.
- Step 17: Log final review complete date in status log in Access.
- Step 18: Send finalized cost report to the Medicaid Managed Care contractor via electronic mail.
- Step 19: Send settlement report to provider including notice of any over/underpayment and/or changes in interim payment rate.
- Step 20: If overpayment, set up invoice in accounts receivable system. See Operational Procedure "PCA- Overpayments and Collection" detailing overpayment and collection procedures.
- Step 21: If necessary, work with provider to set up payment plan based on "repayment" policy. See Operational Procedures "PCA- Overpayment and Collections" detailing overpayment and collection procedures.
- Step 22: Log date report sent in status log in Access.
- Step 23: Update interim rates and effective date in MMIS, if necessary.
- Step 24: If underpayment, complete Gross Adjustment Request Form in OnBase and send to Core. This will be an E-form on OnBase and transferred to Core's appropriate queue for processing.
- Step 25: Log desk review and settlement complete date in status log in Access.
- Step 26: Give quarterly "Agreed Upon Procedures" letter to the Department of Human Services (DHS).

Forms/Reports:

1. 470-4419, Financial and Statistical Report
2. Desk Review and Cost Settlement Program
3. Final Settlement Report
4. Gross Adjustment Request Form

RFP References:

Section 6.7.1.2b

Interfaces:

IME Core unit
Medicaid Management Information System
Iowa Medicaid Cost and Reporting System (IMCARS)
OnBase
Medicaid Managed Care Contractor

Attachments:

Form 470-4419 –
http://www.ime.state.ia.us/docs/CMHC_CostReport.xls